

M/045/002

COPY

TELECOPIER (801) 531-8468

LAW OFFICES

PRUITT, GUSHEE & BACHTTELL

SUITE 1850 BENEFICIAL LIFE TOWER

SALT LAKE CITY, UTAH 84111-1495

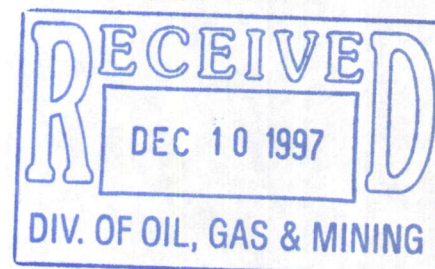
(801) 531-8446

ROBERT G. PRUITT, JR.
OLIVER W. GUSHEE, JR.
THOMAS W. BACHTTELL
A. JOHN DAVIS, III
JOHN W. ANDERSON
FREDERICK M. MACDONALD
JOHN F. WALDO
ANGELA L. FRANKLIN
JOHN S. FLITTON
MICHAEL S. JOHNSON
CHRISTOPHER J. CASTILLO

OF COUNSEL

ROBERT G. PRUITT, III
BRENT A. BOHMAN

December 9, 1997



VIA FACSIMILE (977-4397) AND REGULAR MAIL

Bureau of Land Management
Salt Lake District
2370 South 2370 West
Salt Lake City, Utah 84119
Attn: Maggie Wyatt

RE: Salt Lay Down Project

Dear Ms. Wyatt:

This letter is written to confirm our telephone conversation December 8, 1997 wherein, on behalf of Save the Salt, Inc., the U.S. Department of Interior, Bureau of Land Management, was notified that the operation of the Salt Laydown Project had been suspended by Reilly Industries.

Rick Vesco, with Save the Salt, Inc., reports that as of December 7, 1997 the twin lift pumps delivering brines to the Bonneville Salt Flats have only run approximately 299 total hours, or 12 out of the past 37 days. You advised that the BLM was not aware of any problems with the Laydown Project, and offered to contact Reilly Industries.

You then reported contacting Mr. Allen Sitek, with Reilly Industries on December 8, 1997, who advised you that the main pump which lifts fresh water to the primary salt pump has failed, has been in California for several weeks for repair and rebuilding. Reilly was advised on Friday December 5, 1997, that a test of the pump failed and that the impellers totally failed. Reilly is demanding that the equipment, which is still under warranty, be replaced as soon as possible, threatening to release the name of the pump manufacturer as the cause of the problem. Reilly has evidently had problems from the very beginning with this particular pump.

Maggie Wyatt
Bureau of Land Management
December 9, 1997
Page 2

You also advised that the BLM had not been notified by Reilly of the pump failure because Reilly "decided that it was an internal thing". Reilly is probably correct in this assessment at this time, because the Salt Laydown Agreement requires that a monitoring plan designed solely to measure the effectiveness of the project shall be developed between Reilly and BLM by October, 1996. However, no monitoring agreement exists.

Save the Salt, Inc. is concerned that the expected benefits of the Salt Laydown Project will not be realized unless the project is carried out as planned. While we realize that unexpected problems can occur, the defective pump, the lack of a backup pump, the lack of a monitoring agreement, the delay in the USGS Report, and the fact that these problems are uncovered by the concerned public rather than the BLM, together suggest that much more effort and action is required to insure the success of the project.

Because Reilly's mining operations continue unchecked, the Bonneville Salt Flats bear the consequences of delays in the Laydown Project. BLM has oversight authority and a duty to protect historic sites on the public lands. We note that the mining operations do not appear to be encountering similar problems or delays.

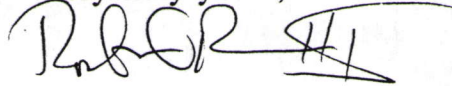
The BLM should require Reilly to suspend operations under the federal leases until Reilly has a chance to work out the bugs and catch up with the requirements of the Laydown Project. While we appreciate that Reilly may be doing everything it can to replace the pump, we are not certain that everyone, including the BLM, are doing all they can to protect the Bonneville Salt Flats.

The BLM should also complete a monitoring agreement with Reilly in order for the BLM to effectively monitor this project. That monitoring agreement should require weekly reports of operations, and deviation reports any week that the project fails to operate at its rated capacity, explaining the reasons for that deviation. The problems with the main lift pump emphasize the possibility of a defective design, and a possible need for a backup pump at this location. Personnel with responsibility over the project, and a chain of command for reporting problems with the project should also be clarified so that the BLM can obtain notice of problems, rather than relying on the concerned public to bring problems to the BLM's attention, as was the case here. When problems are encountered, there should also be a procedure for a technical committee to review the problems so that solutions can be deployed early on in the Laydown Project.

Maggie Wyatt
Bureau of Land Management
December 9, 1997
Page 3

Please keep us posted on actions the BLM is taking to remedy this situation.

Very truly yours,

A handwritten signature in black ink, appearing to read 'RGP III', with a long horizontal flourish extending to the right.

Robert G. Pruitt, III

RGP:jl

cc: Glen Carpenter, SLDO
William White, USO
Rick Vesco, Save the Salt
Wayne Hedburg, DOGM

III\LTRS\WYATT.LT2